GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:3483
ANSWERED ON:16.04.2008
FAKE BANK GUARANTEES
Gaikwad Shri Eknath Mahadeo;Yadav Shri Anirudh Prasad (Sadhu);Yaskhi Shri Madhu Goud

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) whether the Central Vigilance Commission (CVC) has issued an advisory to all Government Departments to verify all bank guarantees submitted by contractors or suppliers as reported in the Hindustan Times dated March 9, 2008;

(b) if so, the details thereof;

(c) whether the contractors or suppliers in number of cases submitted forged and fake bank guarantees to the Government;

(d) if so, the details of such cases came to the notice of the Central Vigilance Commission (CVC) during the last three years; and

(e) the action taken against each contractor/supplier?

Answer

MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE AND MINISTER OF STATE IN THE MINISTRY OF PERSONNEL PUBLIC GRIEVANCES AND PENSIONS .(SHRI PRITHVIRAJ CHAVAN)

(a) & (b) : Yes, Sir. The Central Vigilance Commission (CVC) has issued an advisory to all CVOs of Ministries/Departments for streamlining the system of acceptance of bank guarantees with a view to eliminating the possibility of acceptance of any fake guarantees in its circular No. 1/1/08 dated 31.12.2007.

(c), (d) & (e) : 9 cases regarding submission of fake bank guarantee by the contractors have been brought to the notice of the Commission. Of these, 5 relate to National Highways Authority of India (NHAI), 2 to Food Corporation of India (FCI) and 1 each to Delhi Development Authority (DDA) and Bank of India. In the 5 cases of NHAI, FIRs have been lodged with the Delhi Police. The NHAI has also terminated the contracts of the concerned contractors and has also blacklisted them. Two cases of the FCI have been sent by the Commission to the concerned organization for investigation and report. In one case of the DDA, the Commission has advised disciplinary action against 26 officials. In the case of the Bank of India, the CBI has recommended launching of prosecution against identified officials of the Bank.